

## MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: September 23, 2022

RE: Legislative Report: Austin and Washington Updates

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Please find below updates on legislative activities in Austin and Washington. (*To access links below, control+click on link.*)

### **Gulf Coast Protection District (GCPD) Update**

On September 19<sup>th</sup> and 20<sup>th</sup>, as a board director on the [Gulf Coast Protection District](#) (GCPD) Board of Directors, I joined GCPD Board President Mayor Michel Bechtel, Board Vice President Robert Mitchell, and GCPD Executive Director Nicole Sunstrum in Washington, DC for meetings with members of Congress and national trade associations to advocate for Coastal Texas Study funding. Our group also included: State Senator Larry Taylor, Galveston City Councilmember Marie Robb, Bay Area Houston Transportation Partnership (BayTran) Board Chairman Kemah Mayor Carl Joiner, and Christian Bionat and Coalter Baker with Greater Houston Partnership and Phillip Fordham with LyondellBasell.

During our visit, we met with House Appropriations Committee members including Rep. Henry Cueller, Rep. Tony Gonzalez, Rep. John Carter, and Rep. Kay Granger. We also met with Rep. Dan Crenshaw's staff. Rep. Brian Babin, Rep. Sheila Jackson-Lee, and Rep. Randy Weber joined our group for dinner. On the Senate side, we met with Senator Cindy Hyde-Smith (Mississippi) and Senator Ted Cruz's staff.

Should mid-term elections in November provide Republicans a majority in the House, Rep. Kay Granger will likely assume the House Appropriations Committee chairmanship. Rep. Weber joined us in the meeting with Rep. Granger. Attached is a picture of the group following our meeting.

We met with American Petroleum Institute, American Chemistry Council, National Association of Manufacturers, and the American Fuel and Petroleum Manufacturers representatives. These national trade associations, representing members with key roles in the supply chain, become important voices in DC for communicating on-going support for the essential economic protections provided by the project. Our meetings were productive with furthering a growing coalition that reflects national support.

There are two strategies for obtaining funding for the Coastal Texas Study project: 1) the traditional route beginning with the President's budget request and annual appropriations; and 2) direct appropriations for the project. Greater Houston Partnership is organizing a bi-partisan letter to the Office of Management and Budget (OMB) to raise awareness of the project and advocate for funding through the President's FY 2024 Budget Request. Each member of the delegation with whom we met

with this week, committed to signing the bi-partisan OMB letter and indicated support for seeking funding appropriations.

## Austin Update

### Texas Windstorm Insurance Association (TWIA) Update

- **Adjustments to Maximum Liability Limits** – The Texas Department of Insurance (TDI) will hold a public hearing on the [modifications made by TDI](#) to the annual filing proposed adjustments to maximum liability limits submitted by TWIA on August 5, 2022. TDI's modifications include:
  - 1) TWIA's proposed increases to its current maximum liability limits for windstorm and hail insurance policies for dwellings and individually owned townhouses and their contents; contents of an apartment, condominium, or townhouse; and commercial and governmental structures and their contents, delivered, issued for delivery, or renewed on or after January 1, 2023, the following are disapproved:
    - An increase of 19.7%, from \$1,773,000 to \$2,122,000, for residential dwellings and individually owned townhouses and their contents.
    - An increase of 18.5%, from \$374,000 to \$443,000, for the contents of apartments, condominiums, or townhouses.
    - An increase of 24.7%, from \$4,424,000 to \$5,518,000, for commercial and governmental structures and their contents.
  - 2) TWIA's proposed increase to its current maximum liability limits for windstorm and hail insurance policies for manufactured homes delivered, issued for delivery, or renewed on or after January 1, 2023, is approved (an increase of 19.9 percent, from \$96,600 to \$115,800). The TDI Commissioner will conduct the public hearing on September 27<sup>th</sup>, at 2:00 pm at the William P. Hobby State Office Building, 333 Guadalupe Street, Austin.
- **Certificate of Compliance Inspections** – HB 3564, passed during the 87<sup>th</sup> Texas Legislature, eliminated TDI's authority to rescind certificates of compliance after issuance. In order to streamline and expedite TDI receipt and review, TDI has released [proposed rule amendments](#) that would require electronic submission of certain forms and supporting documentation through the TWIA Windstorm system or by email. The proposed rule specifies which forms must be submitted electronically and allows submission of supporting information by e-mail. Written comments must be submitted to TDI no later than 5:00 pm, on October 10, 2022. Comments should be submitted to [ChiefClerk@tdi.texas.gov](mailto:ChiefClerk@tdi.texas.gov) or to the Office of Chief Clerk, MC: GC-CCO. Texas Department of Insurance, PO Box 12030, Austin, TX 78711-2030

### Comptroller Proposes Revised Local Sales Tax Sourcing Rule for Internet Orders

The Texas Comptroller will conduct a public hearing on revisions to a sales tax sourcing rule on internet orders adopted by the comptroller in 2020. The proposed rule revision is in response to a district court judge [letter ruling](#) finding the comptroller's office failed to comply with proper administrative procedure in adopting 34 Texas Administrative Code Sec. 3.334(b)(5). The entire rule proposal, including background information, [can be found here](#). Under this proposal, local sales taxes on orders not received by salespersons are sourced to the location where the order is fulfilled or the delivery location, depending on the exact circumstances. The revised rule includes additional changes beyond the relevant language on orders not received by salespersons. Among these changes are modifications to the definition of "place of business of the seller" along with clarifying language providing that forwarding previously received orders to a distribution center, warehouse, or similar facility for

fulfillment does not make the facility a place of business for sales tax sourcing purposes. The comptroller will hold a public hearing on Monday, October 17, 2022 to receive comments on the revised rules. The hearing will take place at 9:00 a.m. in Room 170 of the Stephen F. Austin Building, 1700 Congress Ave., Austin, Texas 78701. Comments may be submitted to Jennifer Burleson, Director, Tax Policy Division, P.O. Box 13528, Austin, Texas 78711-3528 or to the email address: [tp.rule.comments@cpa.texas.gov](mailto:tp.rule.comments@cpa.texas.gov). Comments must be received no later than Sunday, October 23, 2022.

## **Texas Legislature – Interim Charge Committee Hearings**

### **Texas House Committee on Transportation Hearing on October 6th**

The Committee will meet on Thursday, October 6 at 9:00 a.m. in Corpus Christi to hear the following joint interim charge: Study the impacts that increased federal funding, formula changes, and new programs authorized in the Infrastructure Investment and Jobs Act will have on state transportation projects. Evaluate strategies to ensure Texas communities can maximize receipt of federal grant funds. Information on the hearing, including how to submit electronic comment, can be found [here](#).

## **Washington Update**

### **DHS Launches \$1 Billion State, Local and Territorial Cyber Grant Program**

The U.S. Department of Homeland Security (DHS) has [launched](#) the first cybersecurity grant program specifically for state, local, and territorial governments. Authorized by the *Infrastructure Investment and Jobs Act* (IIJA), the grant program provides \$1 billion over four years, with \$185 million available in fiscal year 2022 to support state, local and territorial efforts to address cyber risk to their information systems. Recipients are required to create a cybersecurity plan. [Applications](#) are due November 15. Additional information, including a [fact sheet](#) and [frequently asked questions](#), can be found [here](#). An [allocation table](#) is included in the notice of funding opportunity (under the tab “Related Documents,” select the pdf document).

### **New U.S. DOT Grant Programs for Technology to Improve Transportation Infrastructure**

The U.S. Department of Transportation (DOT) [announced](#) it is accepting applications for two programs that will make approximately \$160 million available annually over five years for projects that use technology to improve transportation infrastructure and make communities safer. Funding is available under two programs: the new Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program and the Advanced Transportation Technology and Innovation (ATTAIN) program; applications for both programs are due by November 18.

### **NTIA Updates Federal Broadband Funding Guide**

Earlier this week, the National Telecommunications and Information Administration (NTIA) [released](#) an update to the [federal broadband funding site](#), which aims to serve as a “one-stop shop” of resources for potential applicants seeking federal broadband funding. The site includes broadband funding opportunities and information on more than 80 federal programs across 14 federal agencies. Program types include direct grants, loans, indirect support, and discounts for industry, state, local, and Tribal governments, schools, libraries, and other community institutions that are interested in expanding and improving broadband access.

## **FEMA Launches Safeguarding Tomorrow Revolving Loan Fund**

The Federal Emergency Management Agency (FEMA) [launched](#) a [notice of intent](#) for a new program to fund resilience projects. The Safeguarding Tomorrow Revolving Loan Fund program will make \$50 million available in capitalization grants to states to fund low-interest loans to local governments. FEMA expects to publish the program funding opportunity by the end of 2022 and receive applications through spring 2023.

## **FEMA's Hazard Mitigation Assistance Summer Engagement Series**

FEMA is hosting a number of educational webinars for stakeholders interested in FEMA Hazard Mitigation Assistance (HMA) grant programs.

The [2022 Hazard Mitigation Assistance \(HMA\) Summer Engagement Series](#) began on Aug. 4, 2022 and will continue through September. Throughout the series experts and special guests will provide information and insight on the Building Resilient Infrastructure and Communities (BRIC) and Flood Mitigation Assistance (FMA) programs, as well as the Hazard Mitigation Grant Program (HMGP). The remaining webinars are listed below:

### **Upcoming Webinars**

- **Thursday Sept. 29:** Environmental Planning and Historic Preservation Review 101
- **Tuesday Oct. 4:** Using Grant Funding to Build Resilience: The How, When, and Where of Applying for the Hazard Mitigation Grant Program (HMGP)

## **NLC / US Conference of Mayors Sponsor "Local Infrastructure Hub" Information Website**

The National League of Cities, US Conference of Mayors and other groups are sponsoring The [Local Infrastructure Hub](#), a website designed to help city officials navigate the funding programs made available through the federal Infrastructure Investment and Jobs Act (IIJA).

- **Upcoming Event: September 27, 2022 – Delivering Results: Building Resilient Infrastructure and Communities** – Opportunity to gain strategic insight into creating applications for FEMA's BRIC funding opportunity under the IIJA.

## **Reports of Interest**

### [3 Reasons for a National Approach to Disaster Resilience](#)

Pew Charitable Trusts, September 14, 2022

### [Chairman Carper's Opening Statement: Hearing on State and Local Implementation of the Bipartisan Infrastructure Law](#) *(US Senate Committee on Environment and Public Works)*

### [Corps Water Infrastructure Financing Program \(CWIFP\)](#)

Congressional Research Service, September 22, 2022

### [The Clean Water Act at Fifty: Highlights and Lessons Learned from a Half Century of Transformative Legislation](#)

Congressional Research Service, September 20, 2022